

Message Text

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2634L

S E C R E T SECTION 1 OF 2 MANILA 3017

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: MILITARY BASE NEGOTIATIONS

REF: MANILA 2117

1. THE FOLLOWING IS THE SUGGESTED WORDING AND FORMAT FOR THE ALTERNATE PROPOSAL CONCERNING JOHN HAY PROMISED IN REFTEL. THE CONCEPT IS SIMILAR TO THE PROPOSAL CONTAINED IN THE DRAFT AGREEMENT BUT IS MORE FINELY TUNED ON SUCH THINGS AS PRESERVING U.S. ACCESS TO EXISING WATER AND POWER SOURCES AND INSURING THAT GOP USE OF FACILITIES AND REAL ESTATE WHICH ARE GIVEN UP IS COMPATIBLE WITH OUR LONG-TERM INTERESTS AT JOHN HAY. THIS ALTERNATE PROPOSAL WOULD (A) ALLOW THE PHILIPPINE MILITARY ACADEMY (PMA) TO UTILIZE APPROXIMATELY 13 RESIDENCE COTTAGES TO HOUSE SOME OF ITS SENIOR FACULTY AND ALLOW THE CONSTABULARY (PC) TO RETAIN THREE BARRACKS-TYPE BUILDINGS; (B) ALLOW THE GOP TO DEVELOP FOR ITS PURPOSES THESE AREAS ON THE JOHN HAY RESERVATION NOT PRESENTLY UTILIZED; (C) PROVIDE FOR AN EXCLUSIVE U.S. USE AREA AND (D) ESTABLISH A JOINT USE AREA. THE U.S. MILITARY WOULD CONTINUE TO BE RESPONSIBLE FOR OPERATING AND MAINTAINING THE FULL COMPLEX, INCLUDING WATER AND POWER RESOURCES, EXCEPT FOR THOSE AREAS DESIGNATED FOR TOHER GOP DEVELOPMENT USES.

2. TO ACCOMPLISH THIS, THE PRESENT WORDING CONTAINED IN ANNEX B, PARAGRAPH II E (3) OF EMBASSY DRAFT CONCERNING THE R&R FACILITIES AT JOHN HAY WOULD BE DELETED AND REPLACED WITH THE FOLLOWING:

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"3) THE GOP AUTHORIZES THE UNITED STATES

GOVERNMENT TO CONTINUE TO UTILIZE CERTAIN AREAS
ON JOHN HAY FOR REST AND REHABILITATION PURPOSES
AS DESIGNATED ON ATTACHMENT 5 HERETO UNDER ARRANGE-
MENTS AGREED UPON BETWEEN THE TWO GOVERNMENTS."

THE "ARRANGMENTS AGREED UPON" WOULD BE CONTAINED IN
THE FOLLOWING EXCHANGE OF NOTES, WHICH WE WOULD INFORMALLY
ENCOURAGE THE GOP TO INITIATE IN THE COURSE OF THE NEGOTIATIONS:

QUOTE: THE DEPARTMENT OF FOREIGN AFFAIRS PRESENTS ITS
COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA
AND HAS THE HONOR TO REFER TO THE TREATY OF MILITARY FACILITIES
SIGNED ON THIS DATE AND SPECIFICALLY TO ANNEX B,
PARAGRAPH II E IN WHICH THE AREA PREVIOUSLY DESIGNATED AS
JOHN HAY AIR BASE WAS RELINQUISHED BY THE UNITED STATES
GOVERNMENT. IN RECOGNITION OF THE NEED OF THE PHILIPPINE
MILITARY ACADEMY FOR ADDITIONAL FACILITIES, THE DESIRE OF
THE GOP TO RETAIN THE CITED AREA FOR POSSIBLE FUTURE USE
BY THE GOVERNMENT, AND THE REQUIREMENT FOR U.S. FORCES TO
HAVE ACCESS TO REST AND REHABILITATION AREAS, THE GOP
PROPOSES THE FOLLOWING ARRANGEMENTS:

"THE GOP HEREWITH PROVIDES TO THE UNITED STATES
GOVERNMENT A LICENSE FREE OF CHARGE, FOR THE APPROPRIATE
U.S. MILITARY AGENCIES TO CONTINUE THE OPERATON AND MAINTENANCE
OF A REST AND REHABILITATION AREA DELINEATED ON THE
ATTACHMENT TO THIS NOTE.

"THE COMMANDANT OF THE PMA WILL ASSUME THE POSITION
OF BASE COMMANDER AND COORDINATE ALL MATTERS OF MUTUAL
INTEREST WITH THE SENIOR U.S. MILITARY AUTHORITY CONCERNED
IN ACCORDANCE WITH ARTICLE I, ANNEX A OF THE 1976 MFT.

"THE LIVING QUARTERS DESIGNATED ON THE ATTACHMENT HERETO
WILL BE UTILIZED AS HOUSING FOR THE SENIOR MILITARY FACULTY
ASSIGNED TO PMA AND A DETACHMENT OF PHILIPPINE CONSTABULARY.
THE SUPPORT ARRANGEMENTS WILL BE MUTUALLY AGREED UPON
IN ACCORDANCE WITH ARTICLE I, ANNEX A OF THE

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1976 MILITARY FACILITIES TREATY (MFT).

" THE RECREATIONAL FACILITIES THAT INCLUDE THE GOLF
COURSE, TENNIS COURTS, BOWLING ALLEY AND SIMILAR ACTIVITIES
INCLUDING THE CLUB AND OTHER RESTAURANT FACILITIES LOCATED
IN THE AREA SPECIFIED ON ATTACHMENT HERETO AND OPERATED
THROUGH THE AEGIS OF THE U.S. MILITARY WILL BE OPEN TO ALL
ACTIVE DUTY PHILIPPINE AND U.S. ARMED FORCES PERSONNEL AND
THEIR DEPENDENTS ON AN EQUAL BASIS. UTILIZATION OF THESE
FACILITIES BY OTHER CLASSES OF INDIVIDUALS WILL BE

MUTUALLY AGREED UPON BY THE MILITARY AUTHORITIES CONCERNED.

"IN COORDINATION WITH THE PHILIPPINE BASE COMMANDER, THE U.S. MILITARY AUTHORITIES WILL CONTINUE TO BE RESPONSIBLE FOR PROVIDING CONTRACT SECURITY SERVICES, ADMINISTRATION, MAINTENANCE AND OPERATION OF THE AREAS DESIGNATED IN THE ATTACHMENT HERETO INCLUDING THE OPERATION OF THE WATER AND ELECTRICAL POWER RESOURCES.

"THE GOP HEREBY GRANTS AUTHORITY FOR U.S. MILITARY TO CONTINUE TO OPERATE FOR THE EXCLUSIVE USE OF U.S. FORCES PERSONNEL AND THEIR DEPENDENTS FACILITIES DESIGNATED ON THE ATTACHMENT HERETO.

"THE GOP INTENDS TO UTILIZE THE REMAINING AREAS INDICATED ON ATTACHMENT TO THE NOTE FOR VARIOUS OTHER GOVERNMENT PURPOSES SUCH AS A FOREST RESEARCH STATION AND ADDITIONAL TRAINING AREAS FOR THE MPMA IN THE EVENT THAT SUCH AREAS REQUIRE ELECTRICAL OR WATER SUPPORT FROM FACILITIES OPERATED BY U.S. MILITARY FORCES PURSUANT TO THIS ARRANGEMENT, A SEPARATE AGREEMENT THERETO WILL BE ENTERED INTO. THE GOP RECOGNIZES THAT IT IS NECESSARY TO CONTROL THE UTILIZATION OF THESE AREAS SO AS NOT TO DIMINISH THE WATER AND ELECTRICITY PRESENTLY AVAILABLE TO THE AREAS SPECIFIED IN THIS NOTE AND IN ARTICLE I, ANNEX B II E, OR UNDULY AFFECT THE WATERSHED AREAS.

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FM AMEMBASSY MANILA
TO SECSTATE WASHDC 2635

S E C R E T SECTION 2 OF 2 MANILA 3017

"THE OPERATION AND IMPLEMENTATION OF THIS AGREEMENT IS SUBJECT TO THE OVERALL REVIEW AND APPROVAL OF THE MUTUAL

DEFENSE BOARD AS PROVIDED IN ARTICLE III AND ANNEX E
THERETO OF THE MFT AND THIS AGREEMENT IS SUBJECT TO
PERIODIC REVIEW IN ACCORDANCE WITH ARTICLE V OF THE MFT.

"IF THE FOREGOING PROVISIONS ARE ACCEPTABLE TO THE
UNITED STATES GOVERNMENT, THE DEPARTMENT PROPOSES THAT
THIS NOTE AND THE REPLY OF THE EMBASSY TO THAT EFFECT
SHALL CONSTITUTE AN AGREEMENT BETWEEN OUR TWO GOVERNMENTS
WHICH SHALL ENTER INTO EFFECT IMMEDIATELY UPON RECEIPT
OF THE EMBASSY'S NOTE.

"THE DEPARTMENT OF FOREIGN AFFAIRS AVAILS ITSELF OF
THIS OPPORTUNITY TO RENEW TO THE EMBASSY OF THE UNITED
STATES OF AMERICA THE ASSURANCES OF ITS HIGHEST CONSIDERA-
TION." UNQUOTE.

3. COMMENT: THE ABOVE PROPOSAL, EXCEPT FOR RESTRUCTURING
JOHN HAY AS A PHILIPPINE BASE WITH A TITULAR PHILIPPINE
BASE COMMANDER AND RELINQUISHING THE USE OF 13 OF 67 HOUSING
UNITS, WOULD NOT MATERIALLY CHANGE THE PRESENT OPERATION
OF THE R&R FACILITIES. THE GOLF COURSE, TENNIS COURTS,
BOWLING ALLEY, CLUB AND RESTAURANT FACILITIES ARE IN PRACTICE
NOW OPERATING UNDER A JOINT USE CONCEPT WITHOUT FORMALLY
CALLING IT JOINT USE. AT PRESENT TIME JOHN HAY HAS ISSUED
APPROXIMATELY 3,000 GUEST GARDS ALLOWING AN ESTIMATED
5,000 FILIPINOS TO USE THE RECREATIONAL AND CLUB FACILITIES.

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THE ABOVE PROPOSAL WOULD NOT ONLY FORMALIZE THE PRESENT
ARRANGEMENTS BUT WOULD BRING THE AFP, THROUGH THE PMA,
DIRECTLY INTO THE ACT HELPING TO CREATE A MUTUALITY OF
INTERESTS IN PRESERVING THE DEVELOPED AREAS OF JOHN HAY
AS AN R&R SITE. THIS IS PARTICULARLY IMPORTANT IN VIEW
OF THE GROWING PRESSURES FROM PRIVATE DEVELOPERS TO GET
A FOOTHOLD ON THIS CHOICE REAL ESTATE.

4. THE JOINT USE AREAS WOULD ENCOMPASS THE HYDRO-ELECTRIC
AND WATER RESOURCES WITH THE OPERATION AND MANAGEMENT
OF THESE ESSENTIAL UTILITIES REMAINING WITH THE U.S.
MILITARY. THE RELINQUISHED AREAS DESIGNATED FOR TOHER GOP
GOVERNMENTAL PURPOSES WOULD HELP ALLEVIATE PRESSURES FROM
GOP AGENCIES FOR REAL ESTAE AND HELP KEEP THE U.S. CLEAR
OF PROBLEMS THAT WOULD BEST BE HANDLED BY THE GOP. THE
RELINQUISHED AREAS INCLUDE THE SCOUT BARRIO IN WHICH AN
ESTIMATED 3,000 FILIPINO EMPLOYEES OF EX-EMPLOYEES OF
JOHN HAY AND DESCENDENTS OF PHILIPPINES SCOUTS ARE NOT
RESIDING ON 132 DESIGNATED LOTS. OTHER PARTS RELIN-
QUISHED INCLUDE AREAS OCCUPIED BY SQUATTERS , AS WELL AS
AN AREA FOR THE GOP TO ESTABLISH A CONIFER RESEARCH CENTER
WHICH IT HAS LONG BEEN SEEKING.

5. THE EXCLUSIVE U.S. USE AREA WOULD ALLOW U.S. MILITARY TO KEEP 54 HOUSING UNITS, THE BX-COMMISSARY-THEATER-LIBRARY COMPLEX, THE ADMINISTRATIVE AREA AND THE DIESEL POWER PLANT. THESE AREAS WOULD ALLOW A CONTINUED VIABLE R&R FACILITY FOR U.S. MILITARY FORCES.

6. THE QUID PRO QUO FOR THE GOP TO ACCEPT THIS ARRANGEMENT IS FOR THE U.S. MILITARY TO CONTINUE TO ADMINISTER AND MAINTAIN THE R&R FACILITIES AS WELL AS TO PAY THE OPERATING EXPENSES. WE ARE INFORMED THAT THE JOHN HAY R&R FACILITIES NOW GENERATE SUFFICIENT FUNDS TO OFF-SET MOST OF THE DIRECT OPERATING COSTS INVOLVED EXCEPT FOR THOSE MILITARY AND CIVILIAN PERSONNEL PAID FROM APPROPRIATED FUNDS. IT IS ANTICIPATED THAT THESE PAYROLL COSTS WOULD BE REDUCED AS U.S. MANPOWER REQUIREMENTS DIMINISH UNDER THE NEW ARRANGEMENTS. IN ANY EVENT, WHATEVER MODEST SHORTFALL THERE MIGHT BE COULD BE TAKEN INTO ACCOUNT IN THE "MANAGEMENT AND SERVICE" ARRANGEMENTS DEVELOPED FOR THE OVERALL BASING

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PACKAGE.

7. THERE IS ADDITIONAL FINANCIAL FACTOR WORTH NOTING. EMBASSY UNDERSTANDS JOHN HAY PRESENTLY HAS APPROXIMATELY \$700,000 RESERVED FOR CAPITAL IMPROVEMENTS ON JOHN HAY. THIS MONEY HAS NOT BEEN SPENT BECAUSE OF THE PROSPECT OF UPCOMING NEGOTIATIONS. IT IS SUGGESTED THAT USG COULD AGREE TO UTILIZE THESE FUNDS TO IMPROVE SOME OF THE PRESENT FACILITIES OR CONSTRUCT ADDITIONAL FACILITIES. THIS COULD BE DONE IN WAYS TO IMPROVE THE FUNCTIONING OF THE OVERALL FACILITY AND TO MAKE THE PROPOSED ARRANGEMENT MORE ATTRACTIVE TO THE GOP.

9. COPY OF ANNOTATED MAP OF JOHN HAY REFERRED TO IN DRAFT NOTE ABOVE IS BEING POUCHED TO EA/PHIL. SULLIVAN

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